Canyon Fuel Company, LLC Dugout Canyon Mine P.O. Box 1029 Wellington, Utah 84542



May 23, 2008

Utah Coal Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RE: 2007 Annual Report for Dugout Canyon Mine, C/007/039

To Whom It May Concern:

Enclosed please find one copy of the Annual Report for 2007 for the Dugout Canyon Mine. In addition a copy has been delivered to the Price Field Office.

Upon review of the "commitment and conditions" section on the 2007 Annual Report Form, we have determined that certain commitments do not represent what is in the M&RP. We believe a review of the commitments is needed to determine what is to be included in the annual reports in the future.

Should you have any questions concerning this submittal, please contact me at (435) 636-2869.

Sincerely yours,

Vicky S. Miller

enclosures

cc: Chris Hansen (letter only)

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Dave Spillman (enclosures)

Price Field Office, Pete Hess (enclosures)

File in:
CLOO 70039 2008, Successing
Refer to:
Confidential
Shelf
Expandable
Date 52308 For additional information

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